

CITY OF TROY, NEW YORK

SINGLE AUDIT REPORTS

Year Ended December 31, 2006

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Year Ended December 31, 2006

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CITY OF TROY, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2006

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identification Number	Federal Expenditures
Departure of Housing and Urban Development/ Community Development Block Grants - Entitlement Grant	14.218	B-00MC-36-0109 and prior years	\$ 2,948,256
Emergency Shelter Grants Program	14.231	S-00MC-36-0007 and prior years	103,522
Shelter Plus Program	14.238	NY06C97-1201	55,674
HOME Investment Partnerships Program	14.239	B-00MC-36-0510 and prior years	401,460
Community Development Block Grants - Brownfields Economic Development Initiative	14.246	B00-MC-36-0109	<u>3,000,000</u> <u>6,508,912</u>
Department of Justice/ Bulletproof Vest Partnership Program, JTFF Reimbursements	16.607	N/A	59,294
Local Law Enforcement Block Grants Program	16.592	N/A	10,415
Public Safety Partnership and Community Policing Grants	16.710	2003-UM-WX-0283	161,504
New York State Department of Criminal Justice Services/ Juvenile Accountability Incentive Block Grants	16.523	CS22100	55,000
Juvenile Accountability Incentive Block Grants	16.523	JB00520805	4,515
Rensselaer County/ Weed and Seed Program, Gang Violence, Safe Haven, and Drugs	16.595	N/A	<u>27,942</u> <u>318,670</u>
Department of Transportation/ New York State Department of Transportation/ Highway Planning and Construction - Various Projects	20.205	NYS-PIN-various	377,632
New York State Governor's Traffic Safety/ State and Community Highway Safety - Selective Traffic Enforcement	20.600	PT 4202171	7,709
TraCS- Electronic Ticket and Accident Report Project	20.600	TR-4202142	22,135
Occupant Protection - Child Passenger Safety Program	20.602	CS-4202161	5,266
Safetybelt Performance Grants	20.609	PT#4202151 and 4202152	<u>17,754</u> <u>430,496</u>
Environmental Protection Agency/ Brownfield Pilots Cooperative Agreements	66.814	N/A	<u>133,173</u>
Department of Homeland Security/ New York State Emergency Management Office/ Assistance to Fire Fighters Grant	97.044	EMVV-2004-FG-06607	65,527
April 05 Severe Storm and Flooding	97.***	N/A	3,192
June 06 Severe Storm and Flooding	97.***	N/A	17,410
Rensselaer County/ State and Local Homeland Security Exercise Support	97.006	N/A	5,208
New York State Office of Homeland Security/ State Urban Area Supplemental Program	97.067	DCIS # WM05835454	(6,428)
Homeland Security Grant Program	97.067	C835454	<u>250,000</u> <u>334,909</u>
			<u>\$ 7,726,160</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards, Independent Certified Public Accountant's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Report of Independent Certified Public Accountants on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 on Schedule of Expenditures of Federal Awards.

CITY OF TROY, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all federal awards programs of the City of Troy, New York (City) for the year ended December 31, 2006. The City is defined in Note A to the statutory basis financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule of Federal Expenditures of Federal Awards.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting used by the City in reporting these programs to the federal government.

3. *Relationship to Statutory Basis Financial Statements*

Federal awards revenues are reported in the City's statutory basis financial statements as federal aid. The City's fund financial statements are presented using the modified accrual basis of accounting.

NOTE B - NON-CASH ASSISTANCE

The City had no federal awards expended in the form of non-cash assistance during the year ended December 31, 2006.

NOTE C - LOANS AND LOAN GUARANTEES

The City had \$3,000,000 of loans outstanding to the Department of Housing and Urban Development related to the Brownfields Economic Development Initiative as of December 31, 2006.

NOTE D - INSURANCE

The City did not participate in any federal insurance programs during the year ended December 31, 2006.

NOTE E - SUBRECIPIENTS

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Emergency Shelter Grants Program	14.231	\$ 95,565
Community Development Block Grants - Entitlement Grant	14.218	124,060
HOME Investment Partnerships Program	14.239	74,624

CITY OF TROY, NEW YORK
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2006

Financial Statement Findings

No matters were reported.

Federal Award Findings and Questioned Costs

No matters were reported.

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Mayor and Members of the City Council
City of Troy, New York

We have audited the basic financial statements of the City of Troy, New York as of and for the year ended December 31, 2006, and have issued our report thereon dated September 21, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, Members of the City Council, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Bollam Sheedy Torani & Co LLP

Albany, New York
September 21, 2007

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND REPORT OF INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Mayor and Members of the City Council
City of Troy, New York

Compliance

We have audited the compliance of the City of Troy, New York with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The City's major federal programs are identified in the summary of independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City as of and for the year ended December 31, 2006, and have issued our report thereon dated September 21, 2007. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, Members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bollam Sheedy Torani & Co. LLP

Albany, New York
September 21, 2007

CITY OF TROY, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2006

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

14.246

Community Development Block Grants - Brownfields
Economic Development Initiative

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Findings and Section III - Federal Awards Findings and Questioned Costs

No matters were reported.